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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
(SAN JOSE DIVISION)

GILEAD SCIENCES, INC.,

Plaintiff and Counterdefendant,

v.

MERCK & CO, INC. (Defendant only), MERCK SHARP & DOHME CORP. and ISIS PHARMACEUTICALS, INC.,

Defendants and Counterclaimants.

Case No. 5:13-cv-04057-BLF/PSG

GILEAD SCIENCES, INC.'S BRIEF REGARDING USE OF MR. CARTER'S EXPERT REPORT FROM THE IDENIX ACTION

Gilead disclosed its intention to use the expert report of Mr. Andrew Carter from the parallel Idenix action ("Idenix Report") to cross-examine Mr. Carter in the present action. Merck objected on the grounds that Gilead's disclosure is irrelevant to Mr. Carter's opinion in this case. Gilead is entitled to fully cross-examine Mr. Carter on the bases for his opinions. In his Report in this action, Mr. Carter calculated the reasonable royalty on the ***entire*** U.S. net sales of Sovaldi and Harvoni because the '499 and '712 patents "cover the active metabolite that is responsible for the therapeutic benefit of sofosbuvir for treating HCV infection and methods of treatment that provide that metabolite," using an Entire Market Value Rule theory. (ECF No. 230-12 ("Carter Rept."), §§ 6.3, 13.3.) In his Idenix Report, however, Mr. Carter made nearly identical statements regarding the Idenix patents at issue in that case—*i.e.*, the ***Idenix patents*** are "responsible for the therapeutic benefit of sofosbuvir for treating HCV infection." (*See* Table 1.) In other words, Mr. Carter has taken the inconsistent position that two distinct sets of patents both establish the basis for customer demand for sofosbuvir, and both justify the application of the Entire Market Value Rule for calculating damages for sofosbuvir. This seemingly irreconcilable inconsistency goes directly to Mr. Carter's credibility and his methodolgy, and Gilead is entitled to present this inconsistency on cross-examination.

Table 1

Mr. Carter's Merck Report (§ 6.3)	**Mr. Carter's Idenix Report (§ 6.4)**
Based on discussions with Dr. Benet, I understand that the compounds claimed in the '712 patent include metabolites that are formed when sofosbuvir is taken by a patient, including the active metabolite that is responsible for the therapeutic benefit of sofosbuvir for treating HCV infection. Based on these discussions, I further understand that the methods claimed in the '499 patent include methods for treating HCV infection by providing a prodrug, like sofosbuvir, that forms metabolites described by the formula in claim 1 of that patent, including the active metabolite that is responsible for the therapeutic benefit of sofosbuvir for treating HCV infection.	Based on discussions with Dr. Meier and Dr. Glenn, I understand that the compounds claimed by the Patents-in-Suit include metabolites that are formed when sofosbuvir is taken by a patient, including the active metabolite that is responsible for the therapeutic benefit of sofosbuvir for treating HCV infection. Based on these discussions, I further understand that the methods claimed by the Patents-in-Suit include methods for treating HCV infection by providing a prodrug, like sofosbuvir, that forms metabolites, including the active metabolite that is responsible for the therapeutic benefit of sofosbuvir.

Gilead respectfully requests that the Court permit the use of Mr. Carter's Idenix Report on cross-examination.

Dated: March 20, 2016

FISH & RICHARDSON P.C.

By: */s/ Joseph B. Warden*
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